Austin & Rogers, P.A.

WILLIAM FREDERICK AUSTIN (1930-2016)

OF COUNSEL:

JEFFERSON D. GRIFFITH, III

ATTORNEYS AND COUNSELORS AT LAW

TIMOTHY F. ROGERS RAYMON E. LARK, JR. RICHARD L. WHITT EDWARD L. EUBANKS W. MICHAEL DUNCAN*

* ALSO ADMITTED IN N.C.

COLUMBIA OFFICE

CONGAREE BUILDING 508 HAMPTON STREET, SUITE 300 POST OFFICE BOX 11716 (29211) COLUMBIA, SOUTH CAROLINA 29201 TELEPHONE: (803) 256-4000 FACSIMILE: (803) 252-3679

March 22, 2017

WWW.AUSTINROGERSPA.COM

VIA, ELECTRONIC FILING

The Honorable Jocelyn Boyd Chief Clerk and Administrator The Public Service Commission of South Carolina 101 Executive Center Drive Columbia, South Carolina 29210

Re: • Docket Number 2017-2-E

Dear Ms. Boyd:

Enclosed for filing please find the Direct Testimony of Paul Fleury on behalf of Intervenor, South Carolina Solar Business Alliance, LLC, Cover Sheet and Certificate of Service.

All parties of record have been served. Please notify the undersigned if you there is anything else you may need.

/S/	icespi	ectfully Submitted,
'S/		

RLW/cas

Page 1 of 10

1		DIRECT TESTIMONY OF
2		PAUL FLEURY
3		ON BEHALF OF
4		SOUTH CAROLINA SOLAR BUSINESS ALLIANCE
5		DOCKET NO. 2017-2-E
6		
7	Q.	PLEASE STATE YOUR NAME, TITLE AND BUSINESS ADDRESS.
8	A.	My name is Paul Fleury, I serve as the Chief Development Officer of Southern Current,
9		LLC as well as a Board Member of the South Carolina Solar Business Alliance,
10		("SCSBA"). 1634 Ashley River Rd., Charleston, South Carolina, 29407 is the primary
11		address for Southern Current and 1090 Jack Primus Rd. Charleston, South Carolina, 29492
12		is the primary address for SCSBA.
13		
14	Q.	DESCRIBE YOUR EDUCATIONAL BACKGROUND AND BUSINESS
15		EXPERIENCE AS IS RELATED TO THE SOLAR INDUSTRY.
16	A.	I graduated from the University of Georgia with a Bachelor of Business Administration
17		with a focus in Marketing from the Terry College of Business. In 2008, I co-founded
18		Sustainable Energy Solutions, LLC, a renewable energy services provider with a focus on
19		developing and integrating solar thermal and photovoltaic systems for residential,
20		commercial & industrial ("C&I"), Department of Defense and utility-scale applications.
21		During my time there, my activities supported the entire spectrum of business activities
22		from project origination through commissioning. As of January 1, 2016, Sustainable
23		Energy Solutions, became a founding member along with Solbridge Energy of Southern

Current, LLC. As of that date all our business activities operate through Southern Current, LLC. As the Chief Development Officer of Southern Current, I am responsible for overseeing all activities related to our utility scale development business unit. Through my work at both companies, I have overseen business development activities that have resulted in over 400 residential, commercial and Department of Defense solar installations across 7 states as well as the origination and development of 90 MWs of operating solar farms with another 260 MWs set for 2017 construction and close to an additional 1 GW of solar projects under development across the Southeast.

A.

Q. PLEASE DESCRIBE YOUR BUSINESS EXPERIENCE AS IS RELATED TO REGULATORY MATTERS REGARDING THE SOLAR INDUSTRY IN SC

I have been a member of the SC Solar Business Alliance since 2010. More recently I served as the Board Chair in 2015 & 2016, where I represented the SCSBA's interests in all proceedings relating to the implementation of the IOU's DER programs that resulted from the passage of Act 236. At the end of 2016, I moved out of the role of Board Chair, my new role is to represent the SBA's interest in all regulatory proceedings that affect our membership.

O. ON WHOSE BEHALF ARE YOU PROVIDING THIS TESTIMONY?

20 A. SCSBA.

Ο.	HAVE YO	U PREVIOUSLY	TESTIFIED	BEFORE	THIS	COMMISSION?
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- Yes, I have provided written and verbal testimony before this commission on several
 occasions.
- 4 Q. WHAT IS THE PURPOSE OF THIS TESTIMONY
- 5 A. The purpose of my testimony is to discuss the performance associated with the
 6 Company's Distributed Energy Resource Programs (DER) specifically related to
 7 implementation of its Customer Scale DER Goals.

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Q. CAN YOU PROVIDE AN ASSESSMENT AS TO THE EFFECTIVENESS OF THE

NEM AND BCA PROGRAMS

12 As Mr. Raftery's testimony illustrates, Residential NEM program has experienced 12 tremendous levels of participation and continues to grow at a rapid pace even in the absence 13 of the PBIs that were available to the first 9 megawatts of program applicants. Conversely, 14 as indicated in the testimony, the BCA programs have not seen the rapid program adoption 15 rates that has been experienced by the NEM program.

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- Q. CAN YOU PROVIDE COMMENTS OPINING ON ANY PROGRAM OR MARKET DIFFERENCES THAT MAY BE THE CAUSE OF THIS?
- 19 A. There are a variety of factors that are contributing to the differences in program adoption 20 related to market participants and program guidelines
 - The proliferation of residential solar leasing contracts is the strongest factor contributing to the rapid adoption of residential solar and the large imbalance in program participation between the NEM and the BCA. These providers are

March 22, 2017 Page 4 of 10

generally offering a "no upfront cost, immediate savings" product that may	be
attractive to a wider market of customers than those who would participate	in
standard cash or debt financed purchases.	

- 2. There are substantial differences in how the purchasing decisions are made between a homeowner buying or leasing a system and a commercial or industrial customer. For residential leasing companies, system reservations can occur on a "one call close" and most debt financing companies can prequalify homeowners within minutes. There is a large suite of financing options available for homeowners that in most cases is FICO score based. Some of the Residential financing companies currently offering loans in SC are:
 - a. Dividend Solar
 - b. Mosaic
 - c. Admiral's Bank
 - d. Green Sky
 - e. Blue Wave

By comparison, C&I solar project transactions generally require a much higher degree of diligence and tax consultation prior to making a purchasing decision. Projects generally require owner-operated facilities with more robust structural and electrical pre-design work required than a residential project. Outside of the standard State and Federal Investment Tax Credits, C&I customers must make considerations for depreciation, property taxes & potential for electric power tax when considering the financial model presented by the developer. The process for budgeting capital projects is also very different and less frequent than a homeowner

may consider. It often occurs once per year with multiple levels of management level, corporate level and board level approvals which can take well over a year in some cases. While the BCA program took some time to gain momentum we feel it is important to note that the SCE&G generator interconnection queue has seen substantial increases in activity for projects ranging in size from 20 kW to 1000 kW that we believe can be attributed to the long sales cycle associated with performing the noted diligence activities.

Additional hurdles exist with financing these projects. Whereas residential credit based lending has become commonplace, the standards and processes for underwriting commercial and industrial clients are more complex and arduous. Many of these customers do not have what would be considered investment grade credit and often times are not publicly traded firms so they don't have public reporting of their financials. In these instances, financing parties often times require multiple years of audited financials, tax returns and or other balance sheets and P&L statements. Even upon receipt of these financials, the qualification and underwriting process is a much longer and arduous process then credit based lending available to the residential market. The net effect of these issues is that the sales process is substantially longer in such a commercial transaction than it is for residential transactions.

 The program design, in regards to the application and acceptance procedures, favors the shorter procedure required by the residential and under 100 kW commercial process compared to that of customers requesting BCAs for projects between 100kW and 1000 kW. March 22, 2017

Q.	CAN YOU DISCUSS ANY CONCERNS RELATED TO THE PROLIFERATION			
	OF RESIDENTIAL LEASING AS IN RELATES TO THE ADOPTION RATES			
	UNDER THE STATE'S APPROVED NEM PROGRAM			

The Residential Solar leasing value proposition is dependent upon the assumption that Full Retail NEM will be available to the homeowner for the life of the contract thus providing that the savings generated on the electric bill will always be in excess of the leasing payments. The IOU's net-metering tariffs are approved by the PSC and will be in effect through December 31, 2025. The settlement agreement related to Net Energy Metering stipulates that the tariff taking effect after it expires will be approved by December 31, 2020. The SCSBA is concerned that the leasing contracts do not adequately disclose that retail rates are subject to change which could substantially impact the savings that were marketed at the contract execution.

Q.

A.

- CAN YOU DISCUSS ANY CONCERNS THAT HAVE ARISEN RELATED TO PROGRAM DESIGN THAT MAY HAVE RESULTED IN GREATER AND MORE RAPID RESIDENTIAL NEM PROGRAM ADPOTION OVER BCA PROGRAM ADOPTION?
- A. Based on the program participation numbers through the end of 2016 provided in Mr. Raftery's testimony, participation is heavily skewed towards the residential NEM program. While I have indicated that the proliferation of residential leasing is largely responsible for the rapid adoption of NEM solar in the Company's territory, it should be noted that the program participation variation for the other IOUs, that received approval to administer DER Programs under Act 236, is not nearly as heavily weighted towards under 20 kW

NEM as is evident by the enrollment application statuses represented on their respective websites. This variance has led me to evaluate the specific requirements that have to be met in order to reserve capacity for SCE&G's NEM and BCA programs.

In my evaluation, I have identified a significant factor that inadvertently has resulted in discrimination against larger projects seeking approval under the BCA program. The General Provisions Sections of both the *Riders to Retail Rates for the Bill Credit Agreement* ("BCA") for Renewable Energy Facilities (see, PDF-EXHIBIT "1", NEM Retail Rider and PDF-EXHIBIT "2", BCA Rider), require a generator to complete the interconnection process as is regulated by the SC Generator Interconnection Procedures. While this is a just and reasonable requirement to obtain service under these riders, the requirements of the process for generators under 20 kW are substantially less than for that of generators over 100 kW up to 1000 kW.

Q. CAN YOU DISCUSS THE SCE&G PROCESS FOR APPLYING AND RESERVING CAPACITY FOR PROGRAMS AVAILABLE TO GENERATORS UNDER 20 KW?

For projects under 20 kW, the SCE&G has implemented a software known as Powerclerk to manage interconnection requests for both the NEM and the BCA program applications. Per Section 4.1 of the Installer User Guide: General Project Timeline Guidelines (see, PDF-EXHIBIT "3"), once an application has been deemed complete, it will be assigned a status of Complete Package/Ready for Technical Review. At this point the SCE&G will begin a technical review, which is expected to take 15 days. If the project is deemed to have passed the technical review, then the project will be assigned a status of

Technical Review Complete/Awaiting SCE&G Approval. At this point an SCE&G representative will sign off on the project and the customer will receive a notice of "Contingent Approval to Interconnect". Per Section 5.9 of the Installer Guide (see, PDG-EXHIBIT "4"), the customer will receive a notification that their application has been approved. It is in this communication that the applicant will be notified of his or her acceptance into the NEM program. Based on the timeline described in the Installer Guideline, the total time from acceptance of a completed application until approval for acceptance into the designated program, this part of the process should be completed in 15-20 business days. This assumes that the project passes the technical review stage without needing to provide any more information to the Company.

A.

Q. CAN YOU DISCUSS THE SCE&G PROCESS FOR APPLYING AND RESERVING CAPACITY FOR PROGRAMS AVAILABLE TO GENERATORS OVER 20 KW?

Projects over 20 kW and less than 1000 kW are requesting interconnection approval under the Fast Track Process as is defined in Section 3 in the SC Generator Interconnection Procedures (see, PDF-EXHIBIT "5"). In the best-case scenario, the total time that is outlined under the standard is 43 business days (see, PDF-EXHIBIT "5"), for the utility to provide an Interconnection Agreement. In order to complete the interconnection process and be approved for the BCA program, the interconnection customer must execute and pay for an associated system upgrade required to interconnect to the system. The standard prescribes a 10-business day period to sign the IA and 45 business days to pay for any upgrade. If the project does not pass the Fast Track screens, then it can be moved into a

supplemental review, which can add an additional 30 business days. In this case the total time between submission of an interconnection request and payment for any upgrade can be as much as 128 business days. The larger the project is the more likely it is that it will fail a screen and potentially move down the supplemental review path.

A.

Q. CAN YOU DISCUSS ANY DIFFERENCES BETWEEN THE SCEG PROCESS FOR RESERVING CAPACITY AND THE DEC AND DEP PROCESSES?

The most obvious difference between the processes is that SCE&G requires full completion of the interconnection process while DEP & DEC required a completed interconnection request as a component of the rebate application. It is my understanding that the rebate applications were reviewed and approved in the order they were received. While the completed interconnection process is a condition of final issuance of a rebate, the capacity could be reserved with the completed application. I'm not advocating for one over the other but I believe it should be noted the programs offered by Duke have a more balanced participation across the residential and commercial markets.

Q. DO YOU HAVE ANY SUGGESTIONS FOR THE BEST WAY TO SUSPEND THE BCA PROGRAMS?

19 A. The SBA would like to see BCA applications accepted by the company for the remainder
20 of the year. It proposes that any project applying for the NEM program after January 1st,
21 2017, not contribute to the 1% customer sited goal defined in Act 236 and should only
22 contribute to the 2% NEM cap as defined by Act 236. Based on Mr. Raftery's testimony
23 as of Jan. 1, there appears to be approximately 16,500 kW of available capacity left before

March 22, 2017

Page 10 of 10

SCEG hits the 1% program goal. We believe that entire capacity should be allocated for
commercial customers participating in the BCA program. Accepting applications through
the end of the year will allow the program to establish a waiting list as projects make their
way through the interconnection process and choose whether to move forward or withdraw.
If the scenario arises in which there are more projects that withdraw than can fill the
available capacity, then SCE&G can allocate NEM program participants toward the
customer sited 1% goal prescribed by Act 236.

Q. DOES THAT CONCLUDE YOUR TESTIMONY?

10 A. Yes.

PDF EXHIBIT "1"

NET ENERGY METERING FOR RENEWABLE ENERGY FACILITIES ("NEM") (Page 1 of 4)

AVAILABILITY

This rider is available in conjunction with the Company's Retail Electric Service Rates, for a Customer-Generator. The customer's generating system must be manufactured, installed and operated in accordance with governmental and industry standards and must fully conform with the Company's current interconnection standards as approved by the Public Service Commission of South Carolina.

This rider is available on a first come, first serve basis until the total nameplate generating capacity of net energy metering systems equals 2% of the previous five-year average of the Company's South Carolina retail electric peak demand.

CHARACTER OF SERVICE

The applicable character of service is specific to the rate schedule that the customer receives service under.

RATE PER MONTH

The applicable rate per month shall be from the appropriate rate schedule as referenced in the availability section above. The monthly bill shall be determined as follows:

For electric service under a time-of-use rate schedule:

- 1. The basic facilities charge shall be determined and billed as set forth in the applicable rate schedule as described in the Availability section above.
- 2. Any demand charges shall be determined and billed as set forth in the applicable rate schedule as described in the Availability section above.
- 3. If a customer-generator's energy consumption exceeds the electricity provided by the customer-generator during a monthly billing period, the customer-generator shall be billed in kWh for the net electricity supplied by the Utility.

If a customer-generator's energy generation exceeds the electricity provided by the Utility during a monthly billing period, the customer-generator shall be credited for the excess kWh generated during that billing period.

Energy charges (or credits) shall be based on the rates in the applicable rate schedules as described in the availability section above. For on-peak energy, the customer's monthly usage amount in kilowatt-hours shall be reduced by the total of (a) any on-peak excess energy delivered to the Company in the current month plus (b) any accumulated on-peak excess energy balance remaining from prior months. Total on-peak energy in kilowatt-hours billed to customers shall never be less than zero. For off-peak energy, the customer's monthly usage shall be reduced by the total of (a) any off-peak excess energy delivered to the Company in the current month plus (b) any accumulated off-peak excess energy balance remaining from prior months plus (c) any accumulated on-peak excess energy balance from the current month or prior months that was not used to reduce on-peak usage. Total off-peak energy in kilowatt-hours billed to customers shall also never be less than zero. For any billing month during which excess energy exceeds the customer's usage in total, producing a net credit, the respective energy charges for the billing month shall be zero. Any excess energy credits shall carry forward on the following month's bill by first applying excess on-peak kWh against on-peak kWh charges and excess off-peak kWh against off-peak kWh charges, then applying any remaining on-peak kWh against any remaining off-peak kWh charges. Credits shall not offset the basic facilities charge or the demand charge for the applicable rate schedule.

4. Excess energy not used in the current billing month to reduce billed kWh usage shall be accumulated and used to reduce usage in future months. For all affected billing statements rendered during November billing cycles, any accumulated excess energy not used to reduce billed kWh usage shall be paid to the customer-generator at the Company's avoided cost, zeroing out the customer generator's account of excess energy. The avoided cost is the off-peak winter energy credit as approved in the Company's Rate PR-1, Small Power Production and Cogeneration schedule.

NET ENERGY METERING FOR RENEWABLE ENERGY FACILITIES ("NEM") (Page 2 of 4)

For electric service under a standard, non time-of-use rate schedule:

- The basic facilities charge shall be determined and billed as set forth in the applicable rate schedule as described in the Availability section above.
- Any demand charges shall be determined and billed as set forth in the applicable rate schedule as described in the Availability section above.
- 3. If a customer-generator's energy consumption exceeds the electricity provided by the customer-generator during a monthly billing period, the customer-generator shall be billed in kWh for the net electricity supplied by the Utility.

If a customer-generator's energy generation exceeds the electricity provided by the Utility during a monthly billing period, the customer-generator shall be credited for the excess kWh generated during that billing period.

Energy charges (or credits) shall be based on the rates in the applicable rate schedules as described in the availability section above. For purposes of calculating monthly energy, the customer's usage shall be reduced by the total of (a) any excess energy delivered to the Company in the current month plus (b) any accumulated excess energy balance remaining from prior months. Total energy in kilowatt-hours billed to customers shall never be less than zero. For any billing month during which excess energy exceeds the customer's usage in total, producing a net credit, the respective energy charges for the billing month shall be zero. Credits shall not offset the basic facilities charge or the demand charge for the applicable rate schedule.

4. Excess energy not used in the current billing month to reduce billed kWh usage shall be accumulated and used to reduce usage in future months. For all affected billing statements rendered during November billing cycles, any accumulated excess energy not used to reduce billed kWh usage shall be paid to the customer-generator at the Company's avoided cost, zeroing out the customer generator's account of excess energy. The avoided cost is the off-peak winter energy credit as approved in the Company's Rate PR-1, Small Power Production and Cogeneration schedule.

MINIMUM CHARGE

The monthly minimum charge shall be the basic facilities charge plus the demand charge, if any, as stated in the applicable rate.

DEFINITIONS

- 1. Customer-Generator means the owner, operator, lessee, or customer-generator lessee of an electric energy generation unit which:
 - (A) generates electricity from a Renewable Energy Resource;
 - (B) has an electrical generating system with a capacity of:
 - (i) not more than the lesser of one thousand kilowatts (1,000 kW AC) or one hundred percent (100%) of contract demand if a non-residential customer; or
 - (ii) not more than twenty kilowatts (20 kW AC) if a residential customer;
 - (C) is located on a single premises owned, operated, leased, or otherwise controlled by the customer;
 - (D) is interconnected and operates in parallel phase and synchronization with an electrical utility and complies with the applicable interconnection standards;
 - (E) is intended primarily to offset part or all of the customer-generator's own electrical energy requirements; and
 - (F) meets all applicable safety, performance, interconnection, and reliability standards established by the commission, the National Electrical Code, the National Electrical Safety Code, the Institute of Electrical and Electronics Engineers, Underwriters Laboratories, the Federal Energy Regulatory Commission, and any local governing authorities.
- Renewable Energy Resource means solar photovoltaic and solar thermal resources, wind resources, hydroelectric
 resources, geothermal resources, tidal and wave energy resources, recycling resources, hydrogen fuel derived from
 renewable resources, combined heat and power derived from renewable resources, and biomass resources.

NET ENERGY METERING FOR RENEWABLE ENERGY FACILITIES ("NEM") (Page 3 of 4)

- Retail Electric Service Rates shall mean Rates 1, 2, 3, 5, 6, 7, 8, 9 (metered), 11, 12, 13, 14, 16, 20, 21, 21A, 22, 23, 24, and 28.
- 4. Excess energy delivered to the Company shall be defined as energy produced by the customer's renewable energy generating facility that exceeds the energy delivered by the Company during a given time period. This excess energy shall be used to reduce energy delivered and billed by the Company during the current or a future month, as provided in the Rate Per Month section above.
- 5. The On-Peak and Off-Peak periods shall be defined in the applicable time-of-use rate schedules.

GENERAL PROVISIONS

- To qualify for this rider, the customer must first qualify for and be served on one of the rate schedules as described in the availability section above. The customer must also meet all other qualifications as outlined in the availability section above.
- All provisions of the applicable rate schedules described above including, but not limited to Billing Demand, Determination of On- and Off-Peak Hours, Adjustment for Fuel Costs, Demand Side Management Component, Pension Costs Component, Storm Damage Component, Sales and Franchise Tax, Payment Terms, and Special Provisions will apply to service supplied under this rider.
- 3. Customers electing service under this NEM Rider are eligible to remain on the Rider until December 31, 2025, or until such time as the customer elects to terminate service under the Rider, whichever occurs first. The rates set forth here are subject to Commission Order No. 2015-194 in Docket No. 2014-246-E entered under the terms of S.C. Code § 58-40-20(F)(4). Eligibility for this rate will terminate as set forth in Order No. 2015-194. The value of distributed energy resource generation shall be computed using the methodology contained in Commission Order No. 2015-194 in Docket No. 2014-246-E and updated annually coincident in time with the Company's filing in the fuel clause. The value for the period May 2016 April 2017 is \$0.04126 per kWh.
- Service on this NEM Rider will be closed to new participants as of January 1, 2021, or after statutory caps described in S.C. Code Ann. § 58-39-130 have been reached, whichever occurs first.
- When no contract demand level is available for a non-residential customer, connected load as determined by the Company shall be used as a proxy for contract demand when determining the capacity of the electrical generating system.
- 6. Customers who elect NEM service after January 1, 2021, will receive service in accordance with the NEM tariff in effect at the time at which the customer requests NEM service.
- Customers served under this rider are not eligible for the Company's Small Power Production, Cogeneration Rate PR-
- 8. The customer must execute an application to interconnect generation and an interconnection agreement prior to receiving service under this rider.
- 9. The Company will retain ownership of Renewable Energy Credits ("RECs").
- 10. In the event the Company determines that it is necessary to increase the capacity of facilities beyond those required to serve the Customer's electrical requirement or to install a dedicated transformer or other equipment to protect the safety and adequacy of electric service provided to other customers, the Customer shall pay the estimated cost of the required transformer or other equipment above the estimated cost which Company would otherwise have normally incurred to serve the Customer's electrical requirement, in advance of receiving service under this Rider.

NET ENERGY METERING FOR RENEWABLE ENERGY FACILITIES ("NEM") (Page 4 of 4)

SPECIAL PROVISIONS

The Company will furnish service in accordance with its standard specifications. Non-standard service will be furnished only when the customer pays the difference in costs between non-standard service and standard service or pays to the Company its normal monthly facility charge based on such difference in costs.

METERING REQUIREMENTS

Customer must furnish, install, own, and maintain a meter socket to measure 100% of the Customer's generator output and that is connected on the Customer's side of the delivery point. Company will furnish, install, own, and maintain a generation meter. Company will also furnish, install, own and maintain a bi-directional billing meter to measure the kWh delivered from Company to Customer and to measure kWh received from Customer by Company. The billing meter will be configured for demand and/or time-of-use measurement as required by the applicable rate. All metering shall be at a location that is approved by the Company. At Company's sole option, the generator meter requirement may be waived for customers served under a net metering rider on or before December 31, 2015.

TERM OF CONTRACT

Contracts shall be for a period not to exceed the term of the contract under which the customer currently receives electric service. There shall be a separate contract for each meter at each location.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and are part of this rider.

PDF EXHIBIT "2"

BILL CREDIT AGREEMENT ("BCA") FOR RENEWABLE ENERGY FACILITIES (Page 1 of 2)

AVAILABILITY

This rider is available in conjunction with the Company's Retail Non-Residential Electric Service Rates, the terms of which are incorporated herein by reference. This rider is only available to non-residential customers who install solar photovoltaic facilities of not more than the lesser of one thousand kilowatts (1,000 kW AC), one hundred percent (100%) of an off-set to the customer's own electrical energy requirements, or 100% of the customer's contract demand on and after January 1, 2015, on the customer's premises. The customer's generating system must be manufactured, installed and operated in accordance with governmental and industry standards and must fully conform with the Company's current interconnection standards as approved by the Public Service Commission of South Carolina. This rider is available on a first come, first serve basis until December 31, 2020. This rider is available to customers who either own or lease their renewable energy generating facility. To the extent a Retail Non-Residential Customer is participating in an existing SCE&G bill credit program, such customer is ineligible to participate in any other renewable energy program offered by SCE&G.

BILL CREDIT

For energy produced by the customer's renewable energy generating facility, SCE&G will issue customer a bill credit monthly in the amount per kilowatt-hour as set forth below. For facilities constructed after January 1, 2015, which are eligible for BCA, SCE&G will not issue bill credits retroactively to the time the facility was constructed.

Bill Credit per kWh Generated	System Size
\$0.20	0 kW < size ≤ 20 kW
\$0.18	20 kW < size ≤ 100 kW
\$0.14	100 kW < size ≤ 1000 kW
\$0.22	*

^{*}SCE&G's Tax Exempt customers under Rates 3, 12, and 22.

EXCESS CREDIT

In the event that the amount of the bill credit exceeds the amount of customer's bill, then excess credits will rollover and be applied to the next billing statement. Any outstanding bill credit of \$600 or more as of the November billing month will be provided through a payment to the Customer. Any outstanding bill credit under \$600 as of the November billing month will continue to rollover and be applied to the next billing statement.

TERM OF BCA

SCE&G will issue the applicable bill credit for a period of up to ten (10) years for each premises but not to exceed the term of the contract under which the customer currently receives electric service at the premises, unless otherwise proscribed by the Public Service Commission of South Carolina, or until such time as the customer requests termination of service under this Rider.

TRANSFER OF BCA CREDIT TO SUBSEQUENT PREMISES OWNER/LESSEE

Customer taking service under this Rider is eligible to transfer its BCA credit for its premises to a subsequent premises owner or subsequent lessee of the generating facility located on the premises. In the event of such transfer, the subsequent customer must execute the applicable applications and agreements referenced in this Rider. Such subsequent customer will be able to assume any remaining credits available for such premises under this Rider.

ASSIGNMENT OF BCA CREDIT

Customer may assign its right to receive payment of the BCA to a third-party installer or lessor of the solar facility. Customer must notify SCE&G in writing that it has assigned its right to receive its BCA credit and complete the applicable form to confirm the assignment of customer's BCA credit. BCA credit assignments shall be paid to the third-party installer or lessor of the solar facility on a quarterly basis. The amount of the BCA credit assignment for each month of the quarter will be shown on the applicable customer billing statement.

BILL CREDIT AGREEMENT ("BCA") FOR RENEWABLE ENERGY FACILITIES (Page 2 of 2)

SPECIAL PROVISIONS

The Company will furnish service in accordance with its standard specifications. Non-standard service will be furnished only when the customer pays the difference in costs between non-standard service and standard service or pays to the Company its normal monthly facility charge based on such difference in costs.

METERING REQUIREMENTS

Customer must furnish, install, own, and maintain a meter socket to measure 100% of the Customer's generator output and that is connected on the Company's side of the delivery point. Company will furnish, install, own, and maintain a generation meter. Company will also furnish, install, own and maintain a billing meter to measure the kWh delivered from Company to Customer. The billing meter will be configured for demand and/or time-of-use measurement as required by the applicable rate. All metering shall be at a location that is approved by the Company.

GENERAL PROVISIONS

- (1) To qualify for this rider, the customer must first qualify for and be served on one of the following Rate schedules, Rates 3, 9 (metered), 11, 12, 13, 14, 16, 20, 21, 21A, 22, 23, 24, and 28. The customer must also meet all other qualifications as outlined in the availability section above, and satisfy the Company's obligations for service under their applicable rate service.
- (2) All provisions of the applicable rate schedules listed above in (1) including, but not limited to Billing Demand, Determination of On- and Off-Peak Hours, Adjustment for Fuel Costs, Demand Side Management Component, Pension Costs Component, Storm Damage Component, Sales and Franchise Tax, Payment Terms, and Special Provisions will apply to service supplied under this rider.
- (3) The customer seeking service under this Rider must submit an application to the Company, an application for interconnection and execute the necessary interconnection agreement, and receive an approval letter from SCE&G prior to receiving service under this rider and abide by the standards for interconnection that describes the conditions related to interconnection of the customer's generation with the Company's electrical system.
- (4) The Company will retain ownership of Renewable Energy Credits ("RECs").
- (5) The customer is solely responsible for compliance with any federal, state, county, municipal or other tax laws, rules, and regulations.

GENERAL TERMS AND CONDITIONS

The Company's General Terms and Conditions are incorporated by reference and are part of this rider.

PDF EXHIBIT "3"





4.1 GENERAL PROJECT TIMELINE GUIDELINES

- Once SCE&G has a completed application package (including processing fee), a project will be assigned the Status = Complete Package/Ready for Technical Review. Please allow SCE&G approximately 15 business days to complete the Technical Review (e.g. Technical Screening Process) and notify the customer and installer of the outcome.
 - If the proposed project passes the Technical Review, it will be assigned the Status = Technical Review Complete/Awaiting SCE&G Approval and in the next step approval emails will be sent and installation can begin.

Note: If the Technical Review is Denied, the process will be delayed.

- Once the project has been approved, it will be assigned the Status = Application Approved/Awaiting Local Inspection.
- After SCE&G is notified by the local authority with the release of local inspection, it will be assigned the Status = Release of Local Inspection Received/Ready for SCE&G Inspection.
 Installers can notify us by email that the local inspection is complete, but we <u>must</u> also receive the release from the local authority.
- After the release of local inspection is received, please allow SCE&G approximately 10 business days (weather permitting) to perform the Inspection.
 - If the project passes SCE&G's inspection, the project will be assigned the Status = SCE&G Inspection Passed and a meter order will be created. Once the meter order is created, the project will be assigned the Status = Meter Order Pending and a Field Service Representative will be out to set the meters within approximately 10 business days (weather permitting).

Note: If the proposed project fails SCE&G's Inspection, the process will be delayed.

o If there are no issues found by the Field Service Representative, the meters will be set and the meter order will completed. The project will be assigned a **Status** =
Interconnected/Approved to Energize and SCE&G will notify the customer and installer (via email of the Approval to Energize form) that the generating facility has been interconnected and the PV system can be energized.

Note: If system issues are found that prevent the meters from being set, the process will be delayed.

Last Modified: 18-Oct-2016 12:05:00 PM Page 24 of 47

PDF EXHIBIT "4"





5.9 STATUS: APPLICATION APPROVED/AWAITING LOCAL INSPECTION

Status: Application Approved/Awaiting Local Inspection	
Status Definition:	The project is approved for a SCE&G Solar Program and has received contingent approval to interconnect. The applicant can begin the installation of the PV System to be inspected by local authority and SCE&G once complete.
Communication Sent? Yes (See template below)	

From:

DoNotReply@PowerClerk.com

Reply-To Display Name: Reply-To Email Address: SCE&G Renewable Energy RenewableEnergy@scana.com {data: SCEG Customer Email }

To: Cc:

{data: Installer Email }

Bcc: Subject:

SCE&G Project # {ProjectNumber} - Application Approved

{data: SCEG Customer First } {data: SCEG Customer Last},

Good news! As of {data: Program Approval Date }, your interconnection application has been approved for the following program: {data: Residential Program Choice } {data: Non-Residential Program Choice } {data: Qualifying Tax Exempt Program Choice }.

We have attached Contingent Approval to Interconnect. You can now begin the installation of your solar energy system. We have also attached information on how to read your solar meters and understanding your solar bill. Please keep these documents and refer to them, as needed, once your system is fully operational.

When the installation is complete, please contact your local inspection authority to have the system inspected. Once we have received the electrical release from the inspection authority, SCE&G will coordinate the required inspection (to be completed within 10 business days, weather permitting). It is not necessary for you to be present for this inspection.

Please remember, any material modifications to the system from what was originally submitted will result in the system being denied—including, but not limited to, changes in inverter size and/or rating, installed arrangement changed from original single line drawing, no lockable load break disconnect switch in close proximity to meter, no meter socket on generator or meter socket that is not in close proximity to the existing service meter.

Once SCE&G has completed your inspection, a door hanger will be left making you aware of the status of inspection. If your system has "passed", an order will be placed for bi-directional meters to be installed to complete the interconnection process and enable you to start receiving credit for energy sent back to our system. This typically happens within 10 business days. If your system did not pass SCE&G's inspection, further instructions will be left on the door hanger and communicated to you and/or your installer.

PLEASE NOTE The meter currently installed at your service address is not bi-directional and records both normal usage and energy generated as usage. Until the bi-directional meter is installed, you will be charged (not credited) for any energy sent back to our system. To avoid extra charges, we strongly recommend leaving your solar installation off until your bi-directional meter is installed.

If you have any questions please contact the SCE&G Renewable Energy Team via email at renewableenergy@scana.com.

Thank you,

Last Modified: 18-Oct-2016 12:05:00 PM Page 33 of 47

PDF EXHIBIT "5"

SOUTH CAROLINA

INTERCONNECTION TIMELINE: FAST TRACK

Effective April 26th, 2016

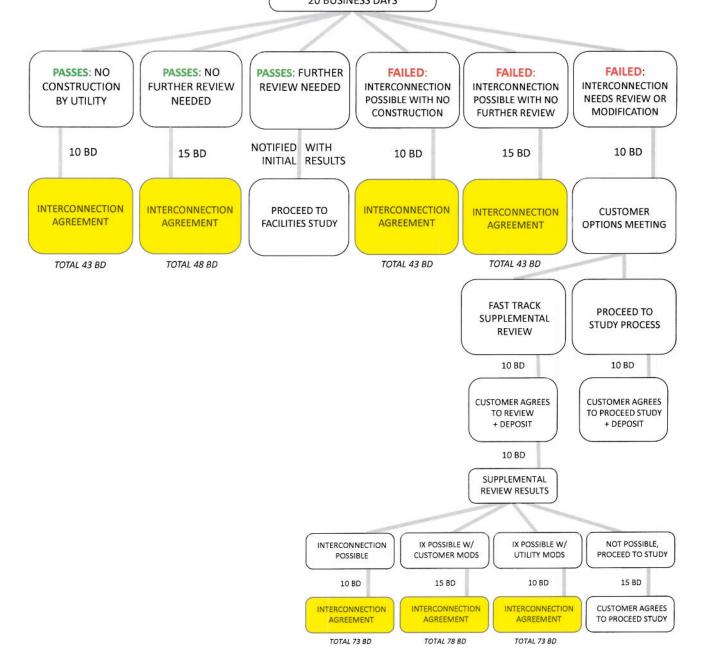
INTERCONNECTION REQUEST & DEPOSIT

\$10,000 + \$1/kW

3 BUSINESS DAYS INTERCONNECTION REQUEST RECEIVED CONFIRMATION

10 BUSINESS DAYS INTERCONNECTION REQUEST COMPLETE CONFIRMATION

FAST TRACK RESULTS 20 BUSINESS DAYS



BEFORE

THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

DOCKET NO. 2017-2-E

IN RE: Annual Review of Base Rates for Fuel Costs for South Carolina Electric & Gas Company)) CERTIFICATE OF SERVICE))
copies of the Direct Testimony of Paul Fleury or	tin & Rogers, P.A., certify that I have served a behalf of Intervenor, South Carolina Solar heet and this Certificate of Service, via electronic
Andrew M. Bateman Email: abateman@regstaff.sc.gov Charles L.A. Terreni Email: charles.terreni@terrenilaw.com Jeffrey M. Nelson Email: jnelson@regstaff.sc.gov K. Chad Burgess Email: chad.burgess@scana.com Scott Elliott Email: selliott@elliottlaw.us Benjamin P. Mustian Email: bmustian@willoughbyhoefer.com J. Blanding Holman, IV Email: Bholman@selcsc.org Lauren Joy Bowen Email: lbowen@selcnc.org Mitchell Willoughby Email: mwilloughby@willoughbyhoefer.com	
	/S/ Carrie A. Schurg

March 22, 2017 Columbia, South Carolina